

RESOLUTION NO. 94-01

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY
CONCERNING THE FINANCING OF LOANS FOR SINGLE FAMILY
RESIDENCES AND THE ISSUANCE OF THE AGENCY'S
BONDS UNDER A SECURITIZED
PROGRAM FOR THAT PURPOSE

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for providing financial assistance to persons and families of low or moderate income to enable them to purchase moderately priced, single family residences (the "Residences");

WHEREAS, the Agency has determined that it is in the public interest for the Agency to provide such financial assistance by means of participation in a program (the "Program") to be implemented by the Agency and the Federal National Mortgage Association ("Fannie Mae") or other bond purchasers to make available below-market-rate loans for the permanent financing of Residences (the "Loans");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act"), the Agency has the authority to issue bonds ("Bonds") to provide sufficient funds to finance the Program, including the purchase of mortgage-backed securities consisting of pools of Loans ("Mortgage-Backed Securities") guaranteed as to principal and interest by either Fannie Mae or the Government National Mortgage Association ("Ginnie Mae"), the payment of capitalized interest, if any, on the bonds, the establishment of reserves, if any, to secure the bonds, and the payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of the bonds;

WHEREAS, the Agency, pursuant to the Act, has from time to time issued various series of its Single Family Mortgage Purchase Bonds (the "SFMP Bonds"), its Home Ownership and Home Improvement Revenue Bonds (the "HOHI Bonds"), its Home Mortgage Revenue Bonds (the "HMP Bonds") and its Home Ownership Mortgage Bonds (the "HOM Bonds");

WHEREAS, the Housing Bond Credit Committee, pursuant to the Act, is required to determine the general adequacy of the Program's security in protecting the credit of the State of California;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the California Housing Finance Agency as follows:

Section 1. Determination of Need and Amount; Authorization to Apply to CDLAC. The Agency is of the opinion and hereby determines that the issuance of one or more series of Bonds in an aggregate amount not to exceed the lesser of (i) \$400,000,000, and (ii) the sum of the following amounts, is necessary to provide sufficient funds for the Program:

- (a) the aggregate amount of SFMP Bonds, HOHI Bonds, HMP Bonds and/or HOM Bonds to be redeemed or maturing in connection with such issuance, and
- (b) the aggregate amount of private activity bond allocations under federal tax law heretofore or hereafter made available to the Agency for such purpose.

The proper officers of the Agency are hereby authorized to apply from time to time to the California Debt Limit Allocation Committee for additional private activity bond allocations, up to an aggregate amount which, together with the amount authorized by Resolution 93-30, does not exceed \$400,000,000, to be used in connection with bonds issued under this resolution or resolutions heretofore or hereafter adopted by the Agency.

Section 2. Authorization and Timing; Submission to HBCC. The Bonds are hereby authorized to be issued in such aggregate amount at such time or times on or before July 1, 1995 as the Executive Director of the Agency (the "Executive Director") deems appropriate, upon consultation with the Treasurer of the State of California (the "Treasurer") as to the timing of each such issuance.

The Executive Director is hereby requested and authorized to submit to the Housing Bond Credit Committee a statement of the purpose for which the Bonds are proposed to be issued and the amount of the proposed issuance.

Section 3. Approval of Forms of New General Indentures. The Executive Director and the Secretary of the Board of Directors of the Agency (the "Secretary") are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver to the Treasurer as Trustee and/or, if appropriate, to a duly qualified bank or trust company selected by the Executive Director to act as trustee or co-trustee with the approval of the Treasurer, one or more new general indentures (the "New Indentures"), in a form similar to the form of the draft indenture presented to this meeting.

Each such New Indenture may be executed, acknowledged and delivered with such changes therein as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof. Changes reflected in the New Indenture may include, without limitation, provisions for conversion of the form of the Bonds upon transfer of the Bonds to an owner or owners other than the initial owner and for closer correspondence of the payment terms of the Bonds to the payment terms of the underlying Mortgage-Backed Securities.

Section 4. Approval of Forms of Supplemental Indenture. For each series of Bonds, the Executive Director and the Secretary of the Board (the "Secretary") are hereby authorized and directed, for and on behalf and in the name of the Agency, if appropriate, to execute and acknowledge and to deliver with respect to each series of Bonds, a supplemental indenture (a "Supplemental Indenture") pertaining to such series in substantially the form of the draft supplemental indenture presented to this meeting, with such changes therein as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

The Executive Director is hereby expressly authorized and directed, for and on behalf and in the name of the Agency, to determine in furtherance of the objectives of the Program those matters required to be determined under the New Indenture, as appropriate, in connection with the issuance of each such series.

Section 5. Approval of Forms and Terms of Bonds. The Bonds shall be in such denominations, have such registration provisions, be executed in such manner, be payable in such medium of payment at such place or places within or without California, be subject to such terms of redemption (including from such sinking fund installments as may be provided for) and contain such terms and conditions as each Supplemental Indenture as finally approved shall provide. The Bonds shall have the maturity or maturities and shall bear interest at the fixed, adjustable or variable rate or rates deemed appropriate by the Executive Director in furtherance of the objectives of the Program; provided that no Bond shall have a term in excess of fifty years or bear interest at a stated rate in excess of twelve percent (12%) per annum, or, if interest is determined to be intended not to be excludable from gross income for federal income tax purposes, fifteen percent (15%) per annum. Any of the Bonds and the Supplemental Indenture(s) may contain such provisions as may be necessary to accommodate an option to put such Bonds prior to maturity for purchase by or on behalf of the Agency or a person other than the Agency and to accommodate bond insurance or other credit enhancement.

Section 6. Authorization of Disclosure. The Executive Director is hereby authorized to execute and provide to the initial purchaser of the Bonds one or more Official Statements or Private Placement Memoranda relating to the Bonds, and the provision of such disclosure documents to such purchaser is hereby approved. The Executive Director is further authorized to distribute other information and material relating to the Bonds.

Section 7. Authorization of Sale of Bonds and Execution of Master Purchase Contract. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver one or more master purchase contracts with Fannie Mae or another initial purchaser, relating to the Bonds, in the form or forms approved by the Executive Director upon consultation with the Agency's legal counsel, such approval to be evidenced conclusively by the execution and delivery of said purchase contract by the Executive Director.

The Treasurer is hereby authorized and requested, without further action of the Board and unless instructed otherwise by the Board, to sell each series of Bonds at the time and place and pursuant to the terms and conditions set forth in each such master purchase contract as finally executed.

Section 8. Authorization of Execution of Bonds. The Executive Director is hereby authorized and directed to execute, and the Secretary is hereby authorized to attest, for and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate amount not to exceed the amount authorized hereby, in accordance with the Supplemental Indenture(s) and in one or more of the forms set forth in the Supplemental Indenture(s).

Section 9. Authorization of Delivery of Bonds. The Bonds, when so executed, shall be delivered to the Trustees to be authenticated by, or caused to be authenticated by, the Trustees. The Trustees are hereby requested and directed to authenticate, or cause to be authenticated, the Bonds by executing the certificate of authentication and registration appearing thereon, and to deliver the Bonds when duly executed and authenticated to the initial purchaser in accordance with written instructions executed on behalf of the Agency by the Executive Director, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver. Such instructions shall provide for the delivery of the Bonds to the initial purchaser upon payment of the purchase price or prices thereof.

Section 10. Authorization of Related Financial Agreements. The Executive Director and the other proper officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, any and all agreements and documents designed (i) to reduce or hedge the amount or duration

of any payment, interest rate, spread or similar risk, (ii) to result in a lower cost of borrowing when used in combination with the issuance of bonds or (iii) to enhance the relationship between risk and return with respect to the Program or any portion thereof. To the extent authorized by Government Code Section 5922, such agreements or other documents may include (a) interest rate swap agreements, (b) forward payment conversion agreements, (c) futures or other contracts providing for payments based on levels of, or changes in, interest rates or other indices, (d) contracts to exchange cash flows for a series of payments, or (e) contracts, including, without limitation, interest rate floors or caps, options, puts or calls to hedge payment, interest rate, spread or similar exposure. Such agreements and other documents are authorized to be entered into with parties selected by the Executive Director, after giving due consideration for the creditworthiness of the counterparties, where applicable, or any other criteria in furtherance of the objectives of the Program.

Section 11. Authorization of Program Documents. The Executive Director and the other proper officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more origination and servicing agreements with such lender or lenders as the Executive Director may select in accordance with the purposes of the Program, and any such selection of a lender or lenders is to be deemed approved by this Board as if it had been made by this Board. The Loans to be pooled into Mortgage-Backed Securities shall have terms that are consistent with the requirements of the master purchase contract to be entered into with the initial purchaser of the Bonds and that are in furtherance of the objectives of the Program.

The Executive Director and the other proper officers of the Agency are hereby authorized to use available Agency moneys (other than and in addition to the proceeds of bonds) to make or purchase loans to be financed by bonds (including bonds authorized by prior resolutions of this Board) in anticipation of the issuance of bonds or the availability of bond proceeds for such purposes.

In addition, the Executive Director and the other proper officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, a short-term credit facility for the purpose of financing the purchase of Loans on an interim basis, prior to the financing of such Loans with Bonds, whether issued or to be issued.

Section 12. Ratification of Prior Actions. All actions previously taken by the Agency relating to the Program and the issuance of the Bonds are hereby ratified.

Section 13. Authorization of Related Actions and Agreements. The Treasurer and the officers of the Agency, or the duly authorized deputies thereof, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all agreements and documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this resolution.

Section 14. Absence of Executive Director. In the Executive Director's absence or upon his authorization, all actions by the Executive Director herein approved or authorized may be taken by the Deputy Director or the Director of Financing of the Agency.

Section 15. Prior Resolutions. This resolution provides additional authority for the issuance of bonds and is not intended to supersede or repeal any prior resolution, including, but not limited to Resolution No. 93-30.

SECRETARY'S CERTIFICATE

I, A. Theodore Giattina, Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of Resolution 94-01 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 13th day of January, 1994, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

AYES: Brown (by Thielen), Coyle, Gordon, Hobbs, Mazza, Sterpa

NOES: None

ABSTENTIONS: Diemer

ABSENT: Cheng, Dunphy, Hawkins

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the Board of Directors of the California Housing Finance Agency hereto this 13th day of January, 1994.



A. Theodore Giattina
Secretary of the Board of
Directors of the California
Housing Finance Agency

[SEAL]